

D. EDWARD HAYS, #162507  
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**MARSHACK HAYS LLP**  
5410 Trabuco Road, Suite 130  
Irvine, CA 92620  
Telephone: (949) 333-7777  
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Special Claims Counsel for the Chapter 7 Trustee,  
RICHARD A. MARSHACK

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re

FOUR STAR FINANCIAL SERVICES,  
LLC,

Debtor.

Case No. 2:03-bk-37579-TD

Chapter 7

FIRST INTERIM APPLICATION FOR  
ALLOWANCE OF FEES AND COSTS FILED  
BY MARSHACK HAYS LLP

Date: December 2, 2009

Time: 11:00 a.m.

Ctrm: 1352

This Application is the First Interim Application by Marshack Hays LLP (“MH”), for allowance of compensation and reimbursement of expenses. By this Application, MH seeks allowance of \$32,197.50 in fees and \$360.15 for reimbursement of expenses under 11 U.S.C. §§ 330 and 331. This Application encompasses services rendered and expenses paid or incurred for the approximate six month period from April 30, 2009 through and including October 31, 2009 (the “Reporting Period”). The blended hourly rate for all services provided to the Estate as set forth herein is \$287.00.

To date, Applicant has successfully represented the Trustee in objecting to and obtaining orders reclassifying, reducing and subordinating improperly classified priority and secured claims, totaling nearly \$10 million dollars. Additionally, the Firm has assisted the

Trustee in successfully objecting to general unsecured claims totaling \$4,201,525 and subordinated claims in the amount of \$1,019,137.

Given the substantial benefit conferred on the Estate, Applicant requests that the Court approve its requested fees of approximately \$32,000 and submits that its requested compensation and reimbursement of costs is reasonable and warranted in light of the services performed and the results obtained.

1. PROCEDURAL BACKGROUND

On October 24, 2003, an involuntary petition under Chapter 11 of Title 11 of the United States Code was filed against Four Star Financial Services, LLC ("Debtor").

On November 26, 2003, an Order for Relief was entered. On the same date, the Court entered an Order directing appointment of a Chapter 11 Trustee. Richard A. Marshack was appointed the Chapter 11 Trustee.

On March 17, 2004, an Order was entered converting this case to a case under Chapter 7. On March 23, 2004, the conversion became effective. After the conversion, Richard A. Marshack continued to serve as the Chapter 7 Trustee of the Debtor's estate (the "Trustee").

Prior to bankruptcy, the Debtor purported to be in the business of investing in various enterprises including factoring accounts receivable for businesses with 1-900 telephone numbers, internet pornography and telephone arbitrage contracts. The Debtor's three managing members were Ronald Anson, Jack Garrett and Mark Cohn.

Contrary to representations made to investors, the Debtor was operating a Ponzi scheme. Investor losses would ultimately exceed \$60 million.

The Debtor and Mark Cohn were indicted for various felonies including telemarketing fraud, mail fraud, wire fraud and conspiracy. Mark Cohn and the Debtor were both convicted. Mark Cohn was sentenced to a federal penitentiary.

2. STATUS OF ADMINISTRATION

At this time, it appears the last asset which may be of value to the Estate is potential litigation against Comerica Bank. Recently, Trustee has applied to the Court for authorization to employ special counsel to review, and if advisable, proceed with a lawsuit.

1 To date, the Trustee has successfully recovered nearly \$17,000,000 through the  
2 sale of assets and litigation. The Trustee currently has funds on hand in the Estate totaling  
3 \$4,237,017.88.

4 3. SUMMARY OF APPLICANT'S EFFORTS

5 On June 19, 2009, an Order was entered approving the employment of Marshack  
6 Hays LLP as Trustee's special claims counsel. A true and correct copy of the Order Authorizing  
7 Employment of Special Claims Counsel is attached as Exhibit "1."

8 The Firm was employed to assist Trustee with the filing of motions objecting to  
9 the priority claim filed by the Department of Justice and more than 400 claims filed by investors  
10 ("Investor / Claimant"). Most of the Investor / Claimants filed claims seeking an allowed claim  
11 for the amount of their investment plus promised interest. These Investors / Claimants are  
12 basing their claim on 'benefit of the bargain' theory, which might normally govern contract  
13 claims under California law. However, Ponzi schemes are illegal, and the courts will not enforce  
14 an illegal bargain. Recovery of both false profits and the original investment would not be  
15 equitable because the "profits" are paid at the expense of the later, equally innocent, investors in  
16 the fund. Therefore, the Investors / Claimants proofs of claim must be separated into two  
17 portions: (1) a claim representing the actual pecuniary loss of a claimant, and (2) a claim  
18 representing all promised profit, interest, or other amounts in excess of the amounts actually  
19 deposited by the creditor with the Debtor.

20 To date, Applicant on behalf of Trustee has successfully obtained orders:

21 A. Re-classifying priority investor claims in the amount of \$5,923,985 to  
22 general unsecured claims in the allowed amount of \$2,788,867;

23 B. Subordinating the priority claim filed by the U.S. Department of Justice in  
24 the amount of \$1,019,137;

25 C. Re-classifying secured investor claims in the amount of \$1,693,605 to  
26 general unsecured claims in the allowed amount of \$1,412,655.

27 Applicant continues to review investor claims and prepare motions objecting to  
28 claims. Recently, this Court sustained Trustee's objections to additional improperly classified

1 priority and secured claims. The Firm expects that there will be another twenty motions  
2 objecting to the more than 300 general unsecured claims discussed above.

3 4. DESCRIPTION OF SERVICES RENDERED

4 Applicant has represented the Trustee from approximately April 30, 2009 to  
5 October 31, 2009 without being paid any compensation or being reimbursed for any expenses.  
6 Descriptions of the types of services rendered by Applicant are set forth herein pursuant to the  
7 categories recommended by the Office of the United States Trustee.

8 A. Claims Administration and Objections

9 During the Reporting Period, Applicant spent approximately 97.2 hours  
10 performing services in connection with Claims Administration and Objections. Applicant's fees  
11 charged for these services are \$28,540.50, which represents 89% of the total fees sought by this  
12 Application. The blended hourly rate for services performed in this regard is approximately  
13 \$294.00 per hour. The following is a brief summary of some of the services provided by the  
14 Applicant in this area:

- 15 1. Meetings with Trustee re: priority claim filed by U.S. Department of  
16 Justice ("U.S. DOJ") and investor claims;
- 17 2. Review of criminal judgment re: priority claim of the U.S. DOJ; Legal  
18 research re: whether criminal fines are entitled to a priority claim in bankruptcy;
- 19 3. Legal research re: whether victims of a Ponzi scheme are entitled to  
20 interest on investments;
- 21 4. Draft Trustee's motion objecting to priority claim filed by U.S. DOJ;
- 22 5. Draft Trustee's motion objecting to improperly categorized priority  
23 investor claims;
- 24 6. Draft Trustee's motion objecting to improperly categorized secured  
25 investor claims;
- 26 7. Draft motion and amended motion to modify claim objection procedures;
- 27 8. Draft orders on Trustee's objection motions and motion to modify claim  
28 objection procedures.

1 B. Fee/Employment Applications

2 During the Reporting Period, Applicant spent approximately 15.1 hours  
3 performing services in connection with Employment and Fee Applications. Applicant's fees  
4 charged for these services are \$3,657.00, which represents 11% of the total fees sought by this  
5 Application. The blended hourly rate for services performed in this regard is approximately  
6 \$242.00 per hour. The following is a brief summary of some of the services provided by the  
7 Applicant in this area:

- 8 1. Draft employment application;
- 9 2. Draft notice of Trustee's application to employ;
- 10 3. Draft order approving employment;
- 11 4. Review of time entries to ensure compliance with U.S. Trustee Guides;
- 12 5. First draft of application for allowance of fees and costs.

13 5. DESCRIPTIVE AND DETAILED STATEMENT OF SERVICES PERFORMED

14 Attached as Exhibit "2" are printouts of computer records created and maintained  
15 by Applicant in its ordinary course of business. Applicant represents that the detail set forth in  
16 Exhibit "2" sufficiently describes the services performed during the Reporting Period. Attached  
17 as Exhibit "3" is a schedule of the fees requested in the format required by the United States  
18 Trustee's Guide.

19 The billing entries include conferences billed by and between the firm's attorneys  
20 and paralegals. Applicant believes that such conferences enable it to efficiently and effectively  
21 represent the Trustee by allowing a "team" of lawyers to work on the case. This team consists of  
22 attorneys and paralegals with varying levels of experience and different billing rates. The  
23 supervising partner reviews and analyzes the case and then selects other attorneys and paralegals  
24 based on the requisite necessary level of experience.

25 A brief biographical description of the attorneys who rendered services for which  
26 compensation is sought by this Application is attached as Exhibit "4." Applicant represents that  
27 the services rendered during the Reporting Period have been beneficial to the Estate and that this  
28 request for allowance of compensation is fair and reasonable.

1 6. DESCRIPTIVE AND DETAILED STATEMENT OF COSTS INCURRED

2 Attached and incorporated as Exhibit "5" is a schedule of costs and expenses  
3 incurred or paid by Applicant during the relevant time period but not yet reimbursed. Exhibit  
4 "6" is a summary schedule recommended by the United States Trustee's Office. Applicant  
5 believes and represents that the costs and expenses are reasonable under the circumstances of this  
6 case and the various pleadings filed by the Trustee.

7 During the Reporting Period, Applicant incurred unreimbursed expenses of  
8 \$360.15 on behalf of the Trustee for which Applicant seeks reimbursement. These expenses  
9 were actual expenses incurred in connection with the services rendered on behalf of the Trustee.  
10 Expenses of this type are billed to and paid by Applicant's clients who pay monthly without  
11 contingency as to payment. Applicant has not included such expenses in its overhead and such  
12 expenses are not encompassed by its billing rates.

13 A. Attorney Service

14 Applicant incurred \$55.67 in costs related to attorney service.

15 B. Computer Research

16 Applicant incurred \$20.45 in costs related to online computer research including  
17 Westlaw, Lexis and Pacer. Applicant does not use online services without first utilizing its own  
18 library and other resources.

19 C. Document Reproduction

20 Applicant incurred the sum of \$209.90 in document reproduction expenses during  
21 the Reporting Period. All document copies are made after the case name and attorney or law  
22 clerk's code number are keyed into a computer system which calculates the number of copies by  
23 page. All of the Applicant's Trustee clients are charged \$0.20 per page for document  
24 reproduction expenses and \$0.10 for document scanning.

25 D. Postage

26 Postage is usually charged to clients when multiple envelopes are being mailed at  
27 a single time. A cost recovery system in the mail room records the client and amount to be  
28

1 charged. These charges are then recorded on the client account. Applicant incurred the sum of  
2 \$74.13 in postage charges for mailing during the Reporting Period.

3 7. THE COURT HAS AUTHORITY AND SHOULD APPROVE THE APPLICATION IN  
4 ITS ENTIRETY

5 A. Amount of Current Request for Compensation and Reimbursement

6 As set forth above and in the attached exhibits, during the Reporting Period  
7 Applicant incurred fees in the amount of \$32,197.50 and incurred expenses in the amount of  
8 \$360.156 on behalf of the Trustee, for which Applicant seeks interim payment in the total sum of  
9 \$32,557.65.

10 B. Legal Points and Authorities

11 The Bankruptcy Code provides that the Court can authorize payment of  
12 reasonable and necessary compensation and reimbursement of expenses.

13 (a)(1) After notice to the parties in interest and the United States  
14 Trustee and a hearing, and subject to sections 326, 328, and 329,  
15 the court may award to a trustee, an examiner, a professional  
16 person employed under section 327 or 1103 –

17 (A) reasonable compensation for actual, necessary services  
18 rendered by the trustee, examiner, professional person, or attorney  
19 and by any paraprofessional person employed by any such person;  
20 and

21 (B) reimbursement for actual, necessary expenses.

22 11 U.S.C. Section 330.

23 In the Ninth Circuit, the test for calculating a reasonable attorney's fee under 11  
24 U.S.C. Section 330 is the lodestar method.

25 "The primary method used to determine a reasonable attorney fee in a  
26 bankruptcy case is to multiply the number of hours expended by an  
27 hourly rate." *Id.* at 1471.

28 *In re Yermakov*, 718 F.2d 1465, 1471 (9<sup>th</sup> Cir. 1983).

This lodestar or basic fee, if warranted, can then be adjusted upward or  
downward. *In re Powerine Oil Co.*, 71 B.R. 767 (9<sup>th</sup> Cir. BAP 1986).

Based upon the foregoing points and authorities and the declarations and exhibits  
attached hereto, Applicant believes that the fees and costs requested are reasonable given the  
benefit conferred on the Estate's creditors.

8. CONCLUSION

WHEREFORE, Applicant prays that this Court enter its Order as follows:

Allowing \$32,197.50 in interim compensation to Applicant in its capacity as  
Special Claims Counsel to the Trustee;

Allowing \$360.15 in interim reimbursement of costs and expenses to Applicant;

Authorizing the Trustee to pay all allowed administrative fees and expenses if and  
when funds are available; and

For such other and further relief as the Court deems proper.

Dated: November 6, 2009

**MARSHACK HAYS LLP**

By: /s/ D. Edward Hays  
D. EDWARD HAYS  
Special Claims Counsel for the Chapter 7 Trustee,  
Richard A. Marshack



DECLARATION OF D. EDWARD HAYS

I, D. EDWARD HAYS, declare:

1. I am an individual above the age of eighteen years of age and have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct. I am an attorney licensed to practice in the State of California and have been admitted to practice before this Court. I am a partner in the law firm of Marshack Hays LLP.

2. I am the designated professional responsible for overseeing the billing in this matter and for assuring compliance with the Guidelines for the United States Trustee related to billing.

3. With the exception of the general sharing of compensation between members and employees of the firm, no agreement or understanding exists between Applicant and any other individual or entity for the sharing of compensation to be received for services rendered or the reimbursement of costs incurred in or in connection with this case.

4. A true and correct copy of the Order authorizing Trustee to employ MH is attached as Exhibit "1."

5. Attached as Exhibit "2" is a true and correct copy of attorney time records for services rendered by professionals in this firm on behalf of the Trustee in the above entitled matter during the period of April 30, 2009 through and including October 31, 2009 (the "Reporting Period").

6. Attached as Exhibit "3" are certain summary schedules as recommended by the U.S. Trustee Guides.

7. A brief biographical description of the attorneys who rendered services for which compensation is sought by the Application is attached as Exhibit "4."

1                   8.       Attached as Exhibit "5" is a true and correct copy of this firm's billing  
2 records reflecting costs incurred by Applicant as attorneys for the Trustee in the above entitled  
3 matter during the Reporting Period.

4                   9.       Attached hereto as Exhibit "6" is a summary schedule of costs as  
5 recommended by the U.S. Trustee Guidelines.

6                   10.     I believe that the fee application submitted herein covering the Reporting  
7 Period complies with the United States Trustee Guide for Applications for Professional Fee  
8 Compensation.

9                   I declare under the penalty of perjury under the laws of the United States of  
10 America, that the foregoing is true and correct.

11                  Executed on October 28, 2009 at Irvine, California.

12                               /s/ D. Edward Hays

13                               \_\_\_\_\_  
D. EDWARD HAYS

**EXHIBIT 1**

D. Edward Hays, #162507  
ehays@marshackhays.com  
**MARSHACK HAYS LLP**  
5410 Trabuco Road, Suite 130  
Irvine, CA 92620  
Telephone: (949) 333-7777  
Facsimile: (949) 333-7778

Attorneys for Chapter 7 Trustee,  
RICHARD A. MARSHACK

**FILED & ENTERED**

**JUN 19 2009**

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY mendoza DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re	)	Case No. 2:03-bk-37579-TD
	)	
FOUR STAR FINANCIAL SERVICES,	)	Chapter 7
LLC,	)	
	)	ORDER APPROVING APPLICATION BY
	)	CHAPTER 7 TRUSTEE TO EMPLOY
Debtor.	)	MARSHACK HAYS LLP AS SPECIAL
	)	CLAIMS COUNSEL
	)	
	)	[No Hearing Set]
	)	
	)	[Declaration of Non-Opposition Filed
	)	Concurrently Herewith]
	)	
	)	

The Court having read and considered the Chapter 7 Trustee's Application to  
Employ Marshack Hays LLP as Special Claims Counsel and Declaration of D. Edward Hays in  
Support (the "Application") filed as Docket No. 719 and it appearing from the Declaration of  
Non-Opposition filed by D. Edward Hays as Docket No. 729 that proper notice has been given  
and good cause has been shown, the Court hereby makes its Order as follows:

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*Thomas R. Donovan*  
United States Bankruptcy Judge

In re:  <b>FOUR STAR FINANCIAL SERVICES, LLC, Debtor(s).</b>	CHAPTER 7 CASE NUMBER 2:03-bk-37579-TD
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**PROOF OF SERVICE OF DOCUMENT**

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**5410 Trabuco Road, Suite 130**  
**Irvine, CA 92620**

The foregoing document described as **ORDER APPROVING APPLICATION BY CHAPTER 7 TRUSTEE TO EMPLOY MARSHACK HAYS LLP AS SPECIAL CLAIMS COUNSEL** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) (“LBR”), the foregoing document will be served by the court via NEF and hyperlink to the document. On **June 12, 2009** I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

United States Trustee (LA)    ustpreion16.la.ecf@usdoj.gov

\_Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On **June 15, 2009** I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

The Honorable Thomas B. Donovan - via U.S. MAIL  
U.S. Bankruptcy Court – Suite 1352  
Roybal Federal Building  
255 E. Temple Street  
Los Angeles, CA 90012-3332

\_Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, 2009, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

\_Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

June 15, 2009

Layla Bergini

Date

Type Name

/s/

Signature

re:  
**FOUR STAR FINANCIAL SERVICES, LLC,** Debtor(s).

CHAPTER 7  
CASE NUMBER 2:03-bk-37579-TD

**NOTE TO USERS OF THIS FORM:**

- 1) Attach this form to the last page of a proposed Order or Judgment. Do not file as a separate document.
- 2) The title of the judgment or order and all service information must be filled in by the party lodging the order.
- 3) **Category I.** below: The United States trustee and case trustee (if any) will always be in this category.
- 4) **Category II.** below: List **ONLY** addresses for debtor (and attorney), movant (or attorney) and person/entity (or attorney) who filed an opposition to the requested relief. **DO NOT** list an address if person/entity is listed in category I.

**NOTICE OF ENTERED ORDER AND SERVICE LIST**

Notice is given by the court that a judgment or order entitled (*specify*) **ORDER APPROVING APPLICATION BY CHAPTER 7 TRUSTEE TO EMPLOY MARSHACK HAYS LLP AS SPECIAL CLAIMS COUNSEL** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner indicated below:

**I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following person(s) by the court via NEF and hyperlink to the judgment or order. As of **June 12, 2009** the following person(s) are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email address(es) indicated below:

Richard A Marshack, Trustee  
United States Trustee (LA)

pkraus@marshackhays.com, rmarshack@ecf.epiqsystems.com  
ustregion16.la.ecf@usdoj.gov

\_Service information continued on attached page

**II. SERVED BY THE COURT VIA U.S. MAIL:** A copy of this notice and a true copy of this judgment or order was sent by U.S. Mail to the following person(s) and/or entity(ies) at the address(es) indicated below:

**ATTORNEY FOR DEBTOR**

ARTHUR A GREENBERG, ESQ  
16000 VENTURA BLVD SUITE 1000  
ENCINO, CA 91436

\_Service information continued on attached page

**III. TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by U.S. Mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following person(s) and/or entity(ies) at the address(es), facsimile transmission number(s) and/or email address(es) indicated below:

\_Service information continued on attached page

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California. *January 2009*

**F 9021-1.1**

**EXHIBIT 2**



**M A R S H A C K H A Y S** LLP  
ATTORNEYS AT LAW | LITIGATION | REORGANIZATION | BANKRUPTCY

5410 TRABUCO ROAD, SUITE 130 | IRVINE, CA 92620  
949.333.7777 | FAX: 949.333.7778

Tax ID # 26-4503174

Richard Marshack, Trustee  
5410 Trabuco Road, Suite 130  
Irvine, CA 92620

Invoice 338  
November 6, 2009

ID: 1015-002 - RAM

Re: Four Star

For Services Rendered Through October 31, 2009

Current Fees	32,197.50	
Total Current Charges		32,197.50
Total Due		32,197.50

Richard Marshack, Trustee  
Re: Four Star  
I.D. 1015-002 - RAM

November 6, 2009  
Invoice 338  
Page 2

Fees					
Date	Atty	Description	Hours	Rate	Amount
5 - Claims Administration and Objections					
05/05/09	PK	Meeting with attorney re: claim objections;	0.40	190.00	76.00
05/14/09	DEH	Meeting with Richard A. Marshack re: claims objections and facts re: criminal restitution claim filed on priority basis;	0.70	440.00	308.00
05/15/09	DEH	Conference with Richard A. Marshack re: objection to claim filed by DOJ for criminal restitution;	0.30	440.00	132.00
05/15/09	DEH	Review and analyze criminal judgment, findings and client documents (1.20); Research re: whether criminal fine entitled to priority under Sections 507 and 726 and case law (2.10); Draft memorandum to Pam Kraus re: additional evidence needed to file objection to government claim (.30);	3.60	440.00	1,584.00
05/17/09	PK	Access Maryland court to review case docket for criminal case, download docket and order;	0.60	190.00	114.00
05/18/09	DEH	Telephone conference with Katherine Gough re: claims objections and calculating interest portion of investor claims (.20); Draft written correspondence to Philip Gasteier re: same (.20); Review written correspondence from Philip Gasteier re: same (.10);	0.50	440.00	220.00
05/28/09	PK	Meeting with Judith E. Marshack to review incorrectly filed priority claim of Department of Justice;	0.40	190.00	76.00
06/01/09	DEH	Research re: priority of criminal fine;	2.30	440.00	1,012.00
06/01/09	DEH	Draft objection to priority claim filed by United States Department of Judgment including supporting declaration;	3.20	440.00	1,408.00
06/02/09	DEH	Draft written correspondence to Katherine Gough re: declaration in support of motion objecting to priority investor claims (.30); Review written correspondence from and draft written correspondence to Katherine Gough re: same (.20);	0.50	440.00	220.00
06/03/09	PK	Continue drafting objection to improperly filed priority claims; Meeting with client to discuss case law re: Ponzi schemes and prepare correspondence to K. Andrassy re: same; Review Westlaw documents re: Ponzi issues and interest claims;	1.60	190.00	304.00
06/04/09	DEH	Review and revise insert to points and authorities supporting objection to priority investor claims (.30); Draft written correspondence to Richard A. Marshack re: same (.20);	0.50	440.00	220.00
06/04/09	CSC	Case conference with trustee re creditors claims allowed in Ponzi scheme case;	0.20	390.00	78.00

Richard Marshack, Trustee  
Re: Four Star  
I.D. 1015-002 - RAM

November 6, 2009  
Invoice 338  
Page 3

Date	Atty	Description	Hours	Rate	Amount
06/04/09	CSC	Legal research re: amount allowed as claim for Ponzi scheme investor, enforceability of illegal contract, distinguishing benefit of the bargain and out of pocket portions of claim;	1.70	390.00	663.00
06/04/09	CSC	Prepare objection to Ponzi investors' claims for unpaid interest;	1.20	390.00	468.00
06/10/09	PK	Continue drafting trustee's objection to thirteen (13) improperly categorized priority claims.	2.60	190.00	494.00
06/11/09	DEH	Review and revise objection to priority investor claims;	2.80	440.00	1,232.00
06/11/09	PK	Continue drafting trustee's objection to thirteen (13) improperly categorized priority claims; Draft declaration of Katherine Gough in support;	1.80	190.00	342.00
06/11/09	PK	Telephone conference with trustee to discuss status of priority claim objection and timing for preparation of objections to secured claims;	0.30	190.00	57.00
06/12/09	DEH	Research re: standards for allowance and objection to claims (.70); Revise and finalize motion objecting to priority investor claims (1.20);	1.90	440.00	836.00
06/12/09	PK	Review and revise objection to improperly categorized priority claims; draft memorandum of points and authorities;	1.40	190.00	266.00
06/13/09	DEH	Research re: whether investor in Ponzi scheme entitled to interest on claim in bankruptcy case or only unreturned principal (1.20); Draft written correspondence to Cynthia Conners re: additional research and supplementing objection to priority investor claims (.20);	1.40	440.00	616.00
06/13/09	DEH	Research re: whether interest allowed on claim arising from Ponzi scheme (.70); Draft written correspondence to Cynthia S. Conners and Katherine Gough re: same (.30);	1.00	440.00	440.00
06/15/09	DEH	Conference with Cynthia S. Conners re: authorities supporting disallowance of claims that include interest on Ponzi investments;	0.30	440.00	132.00
06/15/09	DEH	Conferences with Cynthia S. Conners re: legal research supporting disallowance of claims filed for promised interest on fraudulent investments;	0.30	440.00	132.00
06/15/09	CSC	Review case authority cited by Peterson's counsel re: adversary action to recover interest and commissions in Ponzi scheme, interest as constituting reasonably equivalent value; Research for ninth circuit authority, analyze distinction between preference actions and allowance of claims;	5.20	390.00	2,028.00
06/15/09	PK	Telephone conference with D. Edward Hays and	4.60	190.00	874.00

Richard Marshack, Trustee  
Re: Four Star  
I.D. 1015-002 - RAM

November 6, 2009  
Invoice 338  
Page 4

Date	Atty	Description	Hours	Rate	Amount
		Cynthia S. Connors to discuss points and authorities in support of trustee's objection to improperly categorized priority claims; Review information provided by claimant's attorney re: allowance of interest on investment despite the fact that the investment is a part of a Ponzi scheme; Revise claim objection and draft notice of objection; Prepare service list; Prepare fourteen (14) exhibits with exhibit tabs; Review each claim for personal information and redact same; Review Local Bankruptcy Rules for information on an omnibus motion to disallow claims and service procedures; Prepare e-mail to Layla Bergini to provide service instructions;			
06/16/09	DEH	Revise and supplement objection to priority investor claims;	1.80	440.00	792.00
06/16/09	CSC	Finalize research re Ponzi investors claims in excess of original investment, with particular attention to 9th circuit authority;	1.20	390.00	468.00
06/16/09	CSC	Revise and update objection to creditor claims with new law regarding disallowance of excess profits over amount of original investment;	1.90	390.00	741.00
06/16/09	PK	Revise trustee's objection to improperly categorized priority claims and forward to D. Edward Hays for review;	0.30	190.00	57.00
06/16/09	PK	Complete trustee's objection to improperly categorized priority claims; Prepare fifteen (15) exhibits and insert page numbers;	2.30	190.00	437.00
06/17/09	PK	E-file trustee's objection to improperly categorized priority claims;	0.60	190.00	114.00
06/17/09	PK	Telephone conference with trustee to discuss format options for objections to general unsecured claims requesting allowance of interest on the investment;	0.30	190.00	57.00
06/18/09	PK	Telephone conference with ECF Help-Desk to verify that trustee's objection to improperly categorized priority claims was filed properly and to confirm that Court quality control personnel will add hearing date to the docket;	0.10	190.00	19.00
06/22/09	DEH	Telephone conference with Katherine Gough re: objection to investor claims filed on non-priority basis;	0.20	440.00	88.00
07/03/09	PL	Compare corrected docket to claims spreadsheet; Notate and crosscheck secured claims;	2.00	175.00	350.00
07/05/09	PL	Review claim copies and update claims spreadsheet; Review for duplicate filed claims;	4.10	175.00	717.50
07/07/09	PL	Review secured claim copies; Update claims spreadsheet with priority objections filed info, docket	4.40	175.00	770.00

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07/08/09	PK	corrections and notate missing claim copies; Telephone calls with Laurie McPherson to discuss further review claims and claim docket; Review updated claim analysis spreadsheet and enter additional information re: missing claims and responses from claimants;	0.70	190.00	133.00
07/09/09	PK	Begin drafting trustee's first motion for order to re-classify or disallow improperly classified secured investor claims;	2.30	190.00	437.00
07/10/09	PK	Complete first draft of trustee's first motion for order to re-classify or disallow improperly classified investor secured claims;	0.80	190.00	152.00
07/10/09	PK	Begin drafting trustee's second motion for order to re-classify or disallow improperly classified secured investor claims;	2.00	190.00	380.00
07/10/09	PK	Prepare list of improperly classified secured investor claims and forward to Katherine Gough with request to review Debtor's books and records to determine initial investment;	0.50	190.00	95.00
07/16/09	PK	Review tentative rulings on two motions by trustee objecting to improperly classified priority claims;	0.10	190.00	19.00
07/16/09	PK	Draft order on omnibus motion by trustee objecting to fourteen improperly classified priority claims;	0.80	190.00	152.00
07/16/09	PK	Draft order on motion by trustee objecting to improperly classified priority claim of the U.S. Department of Justice;	0.30	190.00	57.00
07/16/09	DEH	Online research re: tentative rulings on motions objecting to claims (.30); Draft written correspondence to Pam Kraus re: drafting proposed orders (.20);	0.50	440.00	220.00
07/17/09	PK	Complete first draft of trustee's second motion for order to re-classify or disallow eighteen improperly classified secured investor claims;	2.60	190.00	494.00
07/17/09	DEH	Court appearance at United States Bankruptcy Court, Los Angeles re: hearings on objections to claims;	2.50	440.00	1,100.00
07/17/09	DEH	Review and analyze objections to claims and prepare outline of facts and arguments for hearing;	0.70	440.00	308.00
07/17/09	DEH	Conference with Richard A. Marshall re: results of hearing;	0.30	440.00	132.00
07/17/09	DEH	Conference with Richard A. Marshall and conference with Pam Krause re: strategy and timing for second round of claims objections;	0.60	440.00	264.00
07/22/09	PK	Telephone conference with trustee to discuss motion for approval of procedure to object to approximately 400 claims re: claimed interest on investment; Telephone	0.50	190.00	95.00

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Date	Atty	Description	Hours	Rate	Amount
07/23/09	PK	conference with trustee to discuss multiple secured claims filed by Debra Lipp and Georgina Asset;	0.30	190.00	57.00
07/23/09	PK	Telephone conference with Katherine Gough to discuss objections to secured claims and Debra Lipp and Georgina Asset claims.	0.50	190.00	95.00
07/23/09	PK	Prepare e-mail to Judith E. Marshack to discuss motion for approval of procedure to object to approximately 400 claims re: claimed interest on investment; forward claim objection narrative and Local Bankruptcy Rules and Federal Rules of bankruptcy Procedure re: multiple claim objections;	1.10	190.00	209.00
07/24/09	PK	Revise first draft of trustee's second motion for order to re-classify or disallow eighteen improperly classified secured investor claims;	0.60	190.00	114.00
07/24/09	PK	Revise first draft of trustee's first motion for order to re-classify or disallow eighteen improperly classified secured investor claims;	0.70	440.00	308.00
07/28/09	DEH	Review and revise order sustaining objection to priority DOJ claim (.40); Review and revise order sustaining objections to priority investor claims (.30);	0.30	190.00	57.00
07/28/09	PK	Review and respond to e-mail from Chanel Mendoza to discuss the orders on trustee's two motions objecting to priority claims; forward drafts of the orders;	0.20	190.00	38.00
07/28/09	PK	Revise order on trustee's motion objecting to priority claim filed by U.S. Department of Justice;	0.30	190.00	57.00
07/28/09	PK	Revise proof of service and verify creditor service addresses;	0.20	190.00	38.00
07/28/09	PK	Electronically lodge order objecting to priority claim filed by U.S. Department of Justice;	0.20	190.00	38.00
07/29/09	PK	Revise order on trustee's motion objecting to priority claims filed by investors;	0.20	190.00	38.00
07/29/09	PK	Revise proof of service and verify creditor service addresses;	0.30	190.00	57.00
07/29/09	PK	Electronically lodge order objecting to priority claims filed by investors;	1.10	440.00	484.00
07/30/09	DEH	Review and revise ex parte application to modify claims objection procedure;	1.50	440.00	660.00
07/31/09	DEH	Telephone conference to Judge Donovan's clerk re: emergency motion procedures (.10); Online bankruptcy court docket research re: same (.20); Review and analyze Local Bankruptcy Rules re: claims objections procedures (.20); Revise and supplement motion to modify claims procedures (.70); Draft declaration in support of same (.30);			

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<b>Date</b>	<b>Atty</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
07/31/09	DEH	Review entered order sustaining objection to priority investor claims;	0.10	440.00	44.00
07/31/09	DEH	Revise and finalize ex parte application to modify procedures for claims objections;	0.40	440.00	176.00
07/31/09	DEH	Review and analyze Judge Donovan's emergency motion and claims objection procedures posted on website (.30); Telephone conference to chambers re: same (.10);	0.40	440.00	176.00
07/31/09	DEH	Draft proposed order on trustee's emergency motion to modify claims objection procedures;	0.40	440.00	176.00
08/03/09	PK	Review and respond to e-mail from D. Edward Hays re: secured claim objection motions;	0.10	190.00	19.00
08/06/09	PK	Review entered order on trustee's objection to improperly filed priority claims;	0.10	190.00	19.00
09/02/09	PK	Review eight secured claims and investment analysis from Katherine Gough; Draft trustee's first omnibus motion objecting to improperly filed secured claims; Forward to D. Edward Hays for review;	2.70	190.00	513.00
09/03/09	PK	Review and respond to multiple e-mails with D. Edward Hays re: motion for order modifying claim objection procedure to accommodate objections to approximately 400 claims and court's denial of emergency motion re: same;	0.40	190.00	76.00
09/03/09	DEH	Review written correspondence from and draft written correspondence to Pam Kraus re: amended motion to modify claims procedures;	0.20	440.00	88.00
09/04/09	PK	Draft trustee's amended notice and motion for order modifying procedures for claim objections re: objections to approximately 400 general unsecured claims; Forward to D. Edward Hays;	1.30	190.00	247.00
09/10/09	DEH	Review notice of withdrawal and claim filed by Robert Lipp;	0.20	440.00	88.00
09/19/09	DEH	Review written correspondence from and draft written correspondence to Pam Kraus re: strategy and points for motion to modify claims objection procedures;	0.20	440.00	88.00
09/21/09	PK	Revise trustee's first omnibus motion objecting to secured claims; Organize and bates stamp exhibits; Forward to Katherine Gough for review and signature on declaration;	1.30	190.00	247.00
09/21/09	PK	Draft trustee's second omnibus motion objecting to improperly categorized secured claims; Draft declaration of trustee; Organize and bates stamp exhibits; Forward to Richard A. Marshack for review;	1.40	190.00	266.00
09/22/09	PK	Review and respond to e-mail from D. Edward Hays to	0.60	190.00	114.00

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Date	Atty	Description	Hours	Rate	Amount
		discuss revisions to amended motion for order to modify claim objection procedures; Draft notice of amended motion and forward to D. Edward Hays for review;			
09/26/09	DEH	Review and analyze three proofs of claim filed by Debra Lipp (.20); Draft written correspondence to Pam Kraus re: same and whether to object (.10);	0.30	440.00	132.00
09/27/09	DEH	Review and revise notice of amended motion to modify claims objection procedures;	0.20	440.00	88.00
09/27/09	PK	Review and respond to e-mail from D. Edward Hays re: proof of claim filed 9/24/09 by Debra Lipp;	0.10	190.00	19.00
09/28/09	PK	Prepare 5 claimants' service copies of trustee's first omnibus motion objecting to secured claims for mail service;	0.60	190.00	114.00
09/29/09	PK	Prepare service copies of trustee's second omnibus motion objecting to improperly filed secured claims;	0.40	190.00	76.00
10/01/09	PK	Review and respond to e-mail from D. Edward Hays re: hearing date for amended motion to modify claim objection procedure;	0.10	190.00	19.00
10/06/09	PK	Revise trustee's amended motion and notice of amended motion re: modification of claim objection procedure; Prepare proofs of service and service lists;	0.60	190.00	114.00
10/06/09	PK	Prepare trustee's amended motion and notice of motion for service and filing; Electronically file documents;	0.40	190.00	76.00
10/13/09	DEH	Telephone conference with Dr. Brackmann re: objections filed to claims 244, 252 and 259 and discrepancies between estate's and creditor's records;	0.20	440.00	88.00
10/26/09	PK	Review written correspondence from Kathleen Gough re: telephone call from creditor to discuss trustee's objection to secured claim; Draft amendment to trustee's motion objecting to improperly categorized secured claims and forward to D. Edward Hays for review;	0.90	190.00	171.00
10/27/09	PK	Prepare amendment to trustee's objection to improperly categorized secured claims for service and filing; Electronically file amendment;	0.40	190.00	76.00
<i>Subtotals for task code 5 - Claims Administration and Objections</i>			97.20		28,540.50
7 - Fee/Employment Applications					
04/30/09	DEH	Review and revise trustee's application to employ special claims counsel;	0.50	440.00	220.00
04/30/09	PK	Draft application to employ special claims counsel;	1.50	190.00	285.00
05/01/09	PK	Revise application to employ counsel;	0.30	190.00	57.00
05/01/09	PK	Draft notice of application to employ;	0.70	190.00	133.00
05/05/09	DEH	Conference with Richard A. Marshack re: claims	0.30	440.00	132.00



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Date	Atty	Description	Hours	Rate	Amount
		objection strategy;			
05/05/09	PK	Revise employment application;	0.30	190.00	57.00
05/13/09	PK	Draft application and notice to employ special claims counsel;	1.50	190.00	285.00
05/14/09	DEH	Review and revise application of trustee to employ special claims counsel (.60); Review and revise notice of trustee's application to employ counsel (.20);	0.80	440.00	352.00
06/08/09	PK	Access Pacer database to review docket for opposition to trustee's application to employ counsel;	0.10	190.00	19.00
06/10/09	DEH	Review and revise declaration of non-opposition to trustee's application to employ counsel (.30); Review and revise order approving trustee's employment of counsel (.30);	0.60	440.00	264.00
06/10/09	PK	Draft declaration re: non-opposition to trustee's application to employ special claims counsel; Draft order on application;	1.00	190.00	190.00
06/12/09	DEH	Review and revise declaration of non-opposition (.10); Review and revise order (.20);	0.30	440.00	132.00
06/13/09	PK	Access Pacer database to review case docket for document number of trustee's application to employ special claims counsel;	0.10	190.00	19.00
06/15/09	PK	Prepare declaration re: non-opposition to trustee's application for employment of special counsel for service and filing; Organize and prepare exhibits; E-file declaration and lodge order;	0.50	190.00	95.00
06/19/09	DEH	Review entered order approving employment;	0.10	440.00	44.00
09/03/09	PK	Review documents received from Marc Seltzer at Susman Godfrey L.L.P. related to application to employ trustee's special counsel; Draft application to employ trustee's special counsel and forward to Marc Seltzer for review;	1.40	190.00	266.00
09/30/09	PK	Access Pacer database to review lists of professionals and review case documents to locate all employed professionals in preparation for 45-day notice to professionals re: hearing on interim fee applications;	0.30	190.00	57.00
09/30/09	PK	Access Judge Donovan's self-calendaring system to locate available dates for hearing on interim fee applications; Draft 45-day notice to retained professionals re: hearing on interim fee applications; Access Pacer database to download updated ECF service list and review case docket for retained professionals;	1.10	190.00	209.00
10/01/09	DEH	Review and revise 45-day notice to retained professionals;	0.20	440.00	88.00

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Date	Atty	Description	Hours	Rate	Amount
10/01/09	PK	Review and respond to e-mail from D. Edward Hays re: 45-day notice to professionals re: hearing on interim fee applications;	0.10	190.00	19.00
10/07/09	LB	Prepare application and notice to employ special counsel Susman Godfrey for service on all pertinent parties and prepare attorney service instructions re: same;	0.10	150.00	15.00
10/09/09	LB	Conference with D. Edward Hays; Prepare notice to professionals re: hearing on interim fee applications for service on all interested parties and prepare attorney service instructions re: same (.10); Calendar hearing date and calculate and record appropriate deadlines pursuant to bankruptcy rules (.10);	0.20	150.00	30.00
10/10/09	DEH	Review and analyze detailed billing to ensure compliance with U.S. Trustee Guides in connection with fee application;	0.40	440.00	176.00
10/20/09	PK	Review and revise time entries in preparation of first interim fee application;	0.40	190.00	76.00
10/20/09	PK	Begin drafting first interim fee application; Review case documents and case docket;	2.30	190.00	437.00
<i>Subtotals for task code 7 - Fee/Employment Applications</i>			<i>15.10</i>		<i>3,657.00</i>
<b>Total Fees</b>			<b>112.30</b>		<b>32,197.50</b>

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Fee Recap by Task Code			
	Hours	Rate/Hour	Amount
5 - Claims Administration and Objections			
D. Edward Hays	31.80	440.00	13,992.00
Para Legal	10.50	175.00	1,837.50
Cynthia S. Conners	11.40	390.00	4,446.00
Pamela Kraus	43.50	190.00	8,265.00
<i>Subtotal for 5 - Claims Administration and Objections</i>	<i>97.20</i>		<i>28,540.50</i>
7 - Fee/Employment Applications			
D. Edward Hays	3.20	440.00	1,408.00
Pamela Kraus	11.60	190.00	2,204.00
Layla Bergini	0.30	150.00	45.00
<i>Subtotal for 7 - Fee/Employment Applications</i>	<i>15.10</i>		<i>3,657.00</i>
	<b>112.30</b>		<b>32,197.50</b>

Fee Recap by Month		Amount
5 - Claims Administration and Objections		
May 2009		2,510.00
June 2009		14,595.00
July 2009		8,697.50
August 2009		38.00
September 2009		2,156.00
October 2009		544.00
<i>Subtotal for 5 - Claims Administration and Objections</i>		<i>28,540.50</i>
7 - Fee/Employment Applications		
April 2009		505.00
May 2009		1,016.00
June 2009		763.00
September 2009		532.00
October 2009		841.00
<i>Subtotal for 7 - Fee/Employment Applications</i>		<i>3,657.00</i>
		<b>32,197.50</b>

**EXHIBIT 4**

## **PARTNERS**

### **RICHARD A. MARSHACK**

Richard A. Marshack is a founding member of the firm of Marshack Hays LLP. He was born in Las Vegas, Nevada, June 21, 1958. He graduated from University of California at Irvine in 1979 with a Bachelor of Arts degree and California Western School of Law (J.D. Magna Cum Laude, 1982). Recipient, American Jurisprudence Award: Agency and Partnership. Staff Writer, 1980-1981 and Lead Articles Editor, 1981-1982 California Western Law Review. He was admitted to the California Bar in 1982 and the U. S. District Court, Central and Southern Districts of California and U. S. Court of Appeals, Ninth Circuit, 1984.

Mr. Marshack was Law Clerk to the Honorable Folger Johnson, Chief Judge, United States Bankruptcy Court, District of Oregon, 1982-1984, and an Adjunct Professor: Bankruptcy Law, Western States University College of Law, Bankruptcy Law, 1993; Bankruptcy Law, University of California, Irvine, 1985-1992.

Mr. Marshack has authored several articles, including: "The Toxic Claim: Using Bankruptcy Law to Limit Environmental Liabilities," California Bankruptcy Journal, Volume 19, Number 3, 1991; "Recent Developments Under Section 546 of the Bankruptcy Code," Tactics for Unsecured Creditors of Bankrupt Debtors," California Lawyer 21, August, 1984; "Adequate Protection for the Unsecured Creditor Under the Bankruptcy Code", Commercial Law Journal 621, December 1983; "Recent Developments for Reclaiming Goods Under the Bankruptcy Code and the Uniform Commercial Code, "Uniform Commercial Code Law Journal 187, July, 1983; "Reclamation of Goods Under the Bankruptcy Code," Oregon Debtor-Creditor News Letter, I, July 1983; "Sindell vs. Abbot Laboratories: Is Market Share Liability the Best Remedy to the DES Controversy" California Western Law Review 143, 1981.

Memberships: Orange County Bankruptcy Forum, Director and President 1995-96; Orange County Bar Association (Commercial Law & Bankruptcy Section), Chairman, 1989; California State Bar Association; Commercial Law League of America; Los Angeles Bankruptcy Forum.

*Panel Bankruptcy Trustee for U.S. Bankruptcy Court, Central District of California, 1985 - Present.*

### **D. EDWARD HAYS**

D. Edward Hays, is a founding member of the firm of Marshack Hays LLP. He was born in Los Angeles, California. He graduated with honors from California State University at Fullerton in 1989 with a Bachelor of Arts degree in Business. He graduated from the University of Southern California Law Center in 1992 where he was a member of the Hale Moot Court Honors program. Mr. Hays was admitted to practice in 1992.

Mr. Hays currently serves on the Board of Directors for the following organizations: Legal Aid Society of Orange County; University of Southern California Law School Annual Fund; Cal

State University Fullerton Alumni Association; and Cal State University Fullerton Philanthropic Foundation. In 2004-2005, Mr. Hays served as the President of the Cal State Fullerton Alumni Association and was selected that year as a CSUF

Volunteer of the Year. In 2004, Mr. Hays was the Chair of the Resolutions Committee for the Orange County Bar Association and has served as a delegate to the State Bar Conference on behalf of Orange County every year since 1995. In 2000, Mr. Hays was the Chair of the Commercial Law & Bankruptcy Section of the Orange County Bar Association. Mr. Hays also has served as a Director or member of the following organizations: the Inland Empire Bankruptcy Forum; the Orange County Bankruptcy Forum; the William P. Gray Legion Lex American Inns of Court, the Federal Bar Association and the Executive Council for the College of Business at Cal State Fullerton. In 1998 and 1999, Mr. Hays also served as a Judge Pro Tern for the Superior Court of the State of California, County of Los Angeles.

Ed also has been selected on numerous occasions to present lectures on various legal topics including bankruptcy, exemptions and online public record research. He also serves on the Central District Task Force for Amendments to the Local Bankruptcy Rules. In 2004, Ed won the State Bar 5k race and, in 2005 and 2006, was the runner-up. He also actively participates in triathlons completing full-distance Ironman events in 2000 and 2003.

Published cases: *In re Continental Capital & Credit*, 158 B.R. 828 (Bankr. C.D.Cal. 1993); *In re Turner*, 186 B.R. 108 (9th Cir. BAP 1995); *In re National Environmental Waste Corporation*, 191 B.R. 832 (Bankr. C.D.Cal. 1996) *aff'd* 129 F.3d 1052 (9th Cir. 1997); *In re Metz*, 225 B.R. 173 (9th Cir. BAP 1998); *Blonder v. Cumberland Engineering*, (1999) 71 Cal.App.4th 1057, 84 Cal.Rptr.2d 216; *In re Kuraishi*, 237 B.R. 172 (Bankr. C.D.Cal. 1999); *In re Kim*, 257 B.R. 680 (9th Cir. BAP 2000); *In re Dudley*, 249 F.3d 1170 (9th Cir. 2001); and *In re Dick Cepek*, 339 B.R. 730 (9th Cir. BAP 2006).

## **SEAN A. KADING**

Sean A. Kading is a member of the firm of Marshack Hays LLP. He was born in Othello, Washington in 1971. He graduated with honors from the University of California, San Diego in 1996 with a Bachelor of Arts degree in Political Science, minor in Law and Society. Mr. Kading participated in the Institute on Comparative and International law at Oxford University. He received his Juris Doctor from the University of Southern California Law School in 2000.

Mr. Kading was admitted in 2000 to practice in the State of California. He is also admitted to practice in the United States District Court, Northern, Central, Eastern, and Southern Districts of California and the Ninth Circuit Court of Appeals. He is a member of the State Bar of California and the American and Orange County Bar Associations.

Mr. Kading served as a Judicial Extern to U.S. District Court Judge John S. Rhoades in the Southern District of California and as a Legislative Intern to U.S. Senator Max Baucus.



## **ASSOCIATES**

### **CYNTHIA S. CONNERS**

Cynthia S. Connors is an associate of the firm of Marshack Hays LLP. She was born in Boston, Massachusetts. She graduated *cum laude* from UCLA with a Bachelor of Arts degree in Political Science, completed course work for her Masters Degree in Public Administration at the University of San Francisco, and received her Juris Doctor from the University of California Los Angeles School of Law in 1983, graduating in the top one percent of her class. She was a member of the UCLA Law Review in 1981-1982, and a Comment Editor in 1982-1983, Order of the Coif, and received the American Jurisprudence award for Evidence. She served as extern law clerk to the Honorable Richard Hill, Central District of California, in 1982. Her published comment in the UCLA Law Review was cited by the United States Court of Military Appeals.

Ms. Connors was admitted to the State Bar of California in 1983, to the Nevada Bar in 1999, and to the New Jersey State Bar in 2004.

She served in the United States Army from 1975 to 1985, and served as a Judge Advocate General's Corps prosecutor for the Second Infantry Division in Korea and as a defense counsel at the Presidio of San Francisco. After serving in the Army she practiced as a litigation associate and partner at several prestigious law firms handling many complex trials.

Ms. Connors is currently a member of the Laguna Woods City Council. She also serves on the Orange County Waste Management Commission, the Coastal Greenbelt Authority, the Orange County Fire Authority, and the El Toro Water District Advisory Council.

### **JUDITH A. MARSHACK**

Judith Marshack is an Associate with Marshack Hays LLP. She was born in Inglewood, California. Ms. Marshack graduated from the California State University, Long Beach in 1982 and from Western State University, College of Law in 1992, and was admitted to practice law in 1992.

### **GEORGE C. HUANG**

George C. Huang is an Associate with Marshack Hays LLP. He was born in 1979 and graduated from the University of California, Berkeley in 2001. Mr. Huang attended Northwestern University School of Law and graduated in 2008. He passed the bar exam in 2009 and he was admitted to the CA Bar Association.

EXHIBIT 5

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Disbursements			
Date	Description		Amount
E101 - Copying			
06/02/09	Document Copies re: claim objection		16.80
06/03/09	Scanning re: statements of account		9.50
06/15/09	Document Copies re: declaration of non-opposition re: application to employ and order		7.60
06/17/09	Document Copies re: notice of motion for order disallowing claims		32.20
07/30/09	Scanning re: order on chapter 7 ominous motion for order disallowing priority claim		0.40
07/30/09	Document Copies re: order disallowing claims		16.20
09/28/09	Document Copies re: chapter 7 trustee's notice for motion for order disallowing claims		46.20
09/30/09	Document Copies re: notice and motion for claim objection		8.40
09/30/09	Document Copies re: notice of motion		14.40
10/06/09	Document Copies re: notice of Trustee's motion to modify claim objection procedure		36.00
10/07/09	Document Copies re: declaration of non applicant/ order re: employment of Susman Godfrey		13.40
10/27/09	Document Copies re: amendment to notice of motion disallowing claims		8.80
<i>Subtotal for E101 - Copying</i>			<i>209.90</i>
E106 - Online research			
07/22/09	Computer Research re: June, 2009 Westlaw West		17.65
07/28/09	Computer Research April-June, 2009 Pacer Service Center		2.80
<i>Subtotal for E106 - Online research</i>			<i>20.45</i>
E107 - Delivery services/messengers			
06/15/09	Deliver courtesy copies to LABC on 06/03/09 U.S. Legal Management Services, Inc.		17.76
07/16/09	Federal Express to Marshack Hays from Pam Kraus on 06/13/09 Federal Express		20.15
10/15/09	File notice to retained professionals re: interim fee applications at LABC on 10/12/09 U.S. Legal Management Services, Inc.		17.76
<i>Subtotal for E107 - Delivery services/messengers</i>			<i>55.67</i>
E108 - Postage			
06/02/09	Postage re: claim objection		4.27
06/15/09	Postage re: declaration of non-opposition re: application to employ and order		2.68

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Re: Four Star  
I.D. 1015-002 - RAM

November 6, 2009  
Invoice 338  
Page 4

<b>Date</b>	<b>Description</b>	<b>Amount</b>
06/17/09	Postage re: notice of motion and omnibus motion for order	15.87
06/17/09	Postage re: notice of motion	15.67
07/30/09	Postage re: order on chapter 7 ominous motion for order disallowing priority claim	4.95
09/28/09	Postage re: chapter 7 trustee's notice for motion for order disallowing claims	8.51
09/29/09	Postage re: motion for claim objection	2.25
09/30/09	Postage re: notice and motion for claim objection	2.07
09/30/09	Postage re: notice of motion	5.73
10/06/09	Postage re: notice of Trustee's motion to modify claim objection procedure	1.56
10/07/09	Postage re: declaration of non applicant/ order re: employment of Susman Godfrey	3.80
10/09/09	Postage re: notice re: interim fee hearing	4.84
10/27/09	Postage re: amendment to notice of motion disallowing claims	1.93
<i>Subtotal for E108 - Postage</i>		<i>74.13</i>
<b>Total Disbursements</b>		<b>360.15</b>

**EXHIBIT 6**

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Richard Marshack, Trustee	November 6, 2009
Re: Four Star	Invoice 338
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**Disbursement Recap by Task Code**

<b>Task</b>	<b>Description</b>	<b>Amount</b>
E101	Copying	209.90
E106	Online research	20.45
E107	Delivery	55.67
E108	Postage	74.13
<b>Total Disbursements</b>		<b>360.15</b>

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**Disbursement Recap by Month**

		<b>Amount</b>
E101 - Copying		
	June 2009	66.10
	July 2009	16.60
	September 2009	69.00
	October 2009	58.20
<i>Subtotals for E101 - Copying</i>		<i>209.90</i>
E106 - Online research		
	July 2009	20.45
<i>Subtotals for E106 - Online research</i>		<i>20.45</i>
E107 - Delivery services/messengers		
	June 2009	17.76
	July 2009	20.15
	October 2009	17.76
<i>Subtotals for E107 - Delivery services/messengers</i>		<i>55.67</i>
E108 - Postage		
	June 2009	38.49
	July 2009	4.95
	September 2009	18.56
	October 2009	12.13
<i>Subtotals for E108 - Postage</i>		<i>74.13</i>
		<b>360.15</b>

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In re: FOUR STAR FINANCIAL SERVICES, LLC, Debtor(s).

CHAPTER 7  
CASE NUMBER 2:03-bk-37579-TD

**NOTE:** When using this form to indicate service of a proposed order, DO NOT list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

**PROOF OF SERVICE OF DOCUMENT**

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
5410 Trabuco Road, Suite 130, Irvine, California 92620

The foregoing document described **FIRST INTERIM APPLICATION FOR ALLOWANCE OF FEES AND COSTS FILED BY MARSHACK HAYS LLP** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **November 6, 2009** I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

☒ Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On **November 9, 2009** I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

The Honorable Thomas B. Donovan – via U.S. Mail  
U.S. Bankruptcy Court, Suite 1352  
255 E. Temple Street  
Los Angeles, CA 90012-3332

☒ Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, **2009**, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 9, 2009  
Date

Layla Bergini  
Type Name

/s/ Layla Bergini  
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California. *January 2009* **F 9013-3.1**

**SERVICE LIST**

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”) –continued:**

- Richard A Marshack pkraus@marshackhays.com, rmarshack@ecf.epiqsystems.com
- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov

**II. SERVED BY U.S. MAIL**

**ATTORNEY FOR DEBTOR**

ARTHUR A GREENBERG, ESQ  
16000 VENTURA BLVD SUITE 1000  
ENCINO, CA 91436

**DEBTOR**

FOUR STAR FINANCIAL SERVICES LLC  
11755 WILSHIRE BLVD #1350  
LOS ANGELES, CA 90025